

IURC News Release

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Indiana Utility Regulatory Commission Gives Duke Energy Indiana Approval to Build Integrated Gasification Combined Cycle Plant

Today in Cause No. 43114, the Indiana Utility Regulatory Commission (Commission, IURC) issued a Certificate of Public Convenience and Necessity and Clean Coal Technology to Duke Energy Indiana (DEI) for its \$1.985 billion, 630 MW Integrated Gasification Combined Cycle (IGCC) baseload project in Edwardsport, Indiana. This is the first baseload capacity to be built to supply Duke Energy Indiana since 1982, and will be the cleanest baseload plant in operation in the State.

The Commissioners found the company appropriately documented the need for additional generation capacity and met the statutory requirements necessary for approval. The Commission allowed the incentive of timely recovery of costs but denied the incentive of an enhanced return on equity, finding the cost recovery incentive adequate to compensate the company. The Commission established a mechanism for continuing oversight of project costs. Cost recovery will be phased in throughout construction by the use of semi-annual reviews by the Commission. Evidence presented by Duke Energy Indiana estimates that rate payers will see an overall increase in rates of approximately 16%.

In addition, DEI will have to justify and seek approval in a separate proceeding to recover any costs above the approved \$1.985 billion.

DEI is also directed to move forward with its plans to develop carbon capture and storage studies and to file a proceeding with the Commission to establish that process in six months.

Duke Energy Indiana supplies electric energy to over 760,000 customers in 69 Indiana counties in central, north central and southern Indiana.

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